



Performance and Risk Report

**SciBeta United States
Multi-Beta Multi-Strategy
Quality**

Overview

Index Characteristics

Universe - United States of America

The United States of America universe consists of equities from the United States of America.

Selection - Multi-Beta Quality Stock Selection

Multi-Beta stock selection is a form of multi-factor allocation that consists of selecting stocks from the underlying equity universe that correspond to one of the chosen risk factors.

Weighting - Diversified Multistrategy

In the Diversified Multistrategy weighting scheme, five Scientific Beta strategies are combined in order to diversify away individual strategies' specific risks and to mix strategies with different sensitivities to market conditions.

Risk Control - No Relative Risk Control

No Relative Risk Control indicates that the strategy does not control the relative risk resulting from a stock selection and weighting scheme decision with regard to the cap-weighted reference index.

Index Description as of 16-Dec-2016

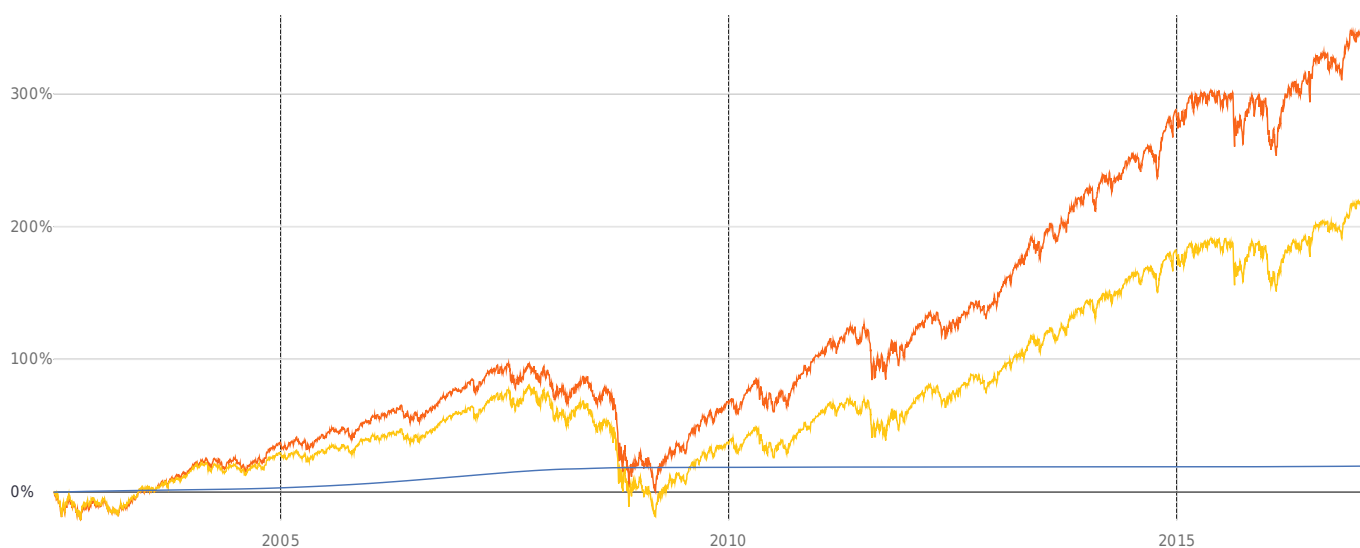
The table summarises the index construction principles.

| SciBeta USA MBeta MStrat Qty | Index |
|--------------------------------|----------------|
| Currency | USD |
| Number of Constituents | 375 |
| Cap Coverage (Global Universe) | 43.1 % |
| Regional Universe | USA |
| Stock Selection | MBeta-Q |
| Weighting Scheme | Div MStrat |
| Risk Control | None |
| TO Control | n/a |
| Inception Date | 21-Jun-2002 |
| Live Date | 18-Sep-2015 |
| Broad CW | SciBeta USA CW |

*Analytics are calculated at 16-Dec-2016.
Analytics are updated quarterly.*

Total Return Index inUSD

Index — Cap-W. — Risk-free —



Latest Performances

Latest Performances refers to basic risk and return information for the most recent part of the strategy's history.

Latest Performances as of 13-Feb-2017

The first table shows the index's absolute returns over recent short time periods. The next table reports the index's return, volatility and associated Sharpe ratio since the live date of the index. The last table reports the index's return, volatility and associated Sharpe ratio since inception of the index. For periods longer than a year, the statistics are annualised, whereas the short-term statistics are calculated based on the period examined without annualisation. The corresponding statistics (calculated over the same dates) of the Broad cap-weighted reference index (Broad CW) are also reported, along with those of the Beta cap-weighted reference index (Beta CW) in case of univariate stock selection.

| SciBeta USA MBeta MStrat Qty | Index | Broad CW |
|------------------------------|--------|----------|
| 1-Day Return | 0.40 % | 0.56 % |
| 1-Week Return | 1.89 % | 1.67 % |
| 1-Month Return | 2.93 % | 2.63 % |
| 1-Quarter Return | 7.77 % | 8.28 % |
| Year-to-Date Return | 4.56 % | 4.35 % |

Analytics are based on daily **total** return index series (dividends reinvested) in **USD**. Analytics are calculated at 13-Feb-2017 and updated daily.

| Live | Index | Broad CW |
|--------------|---------|----------|
| Return | 14.95 % | 14.96 % |
| Volatility | 12.75 % | 13.13 % |
| Sharpe ratio | 1.15 | 1.12 |

Analytics are based on daily **total** return index series (dividends reinvested) in **USD**. Analytics are calculated at 13-Feb-2017 and updated daily. Performances are annualised for periods longer than a year. Live date is 18-Sep-2015.

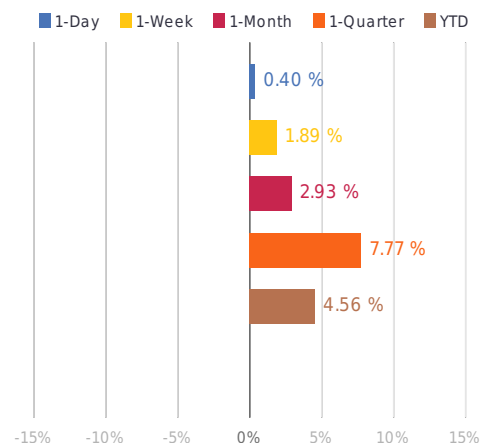
| Since inception | Index | Broad CW |
|-----------------|---------|----------|
| Return | 10.93 % | 8.40 % |
| Volatility | 17.77 % | 19.20 % |
| Sharpe ratio | 0.55 | 0.37 |

Analytics are based on daily **total** return index series (dividends reinvested) in **USD**. Analytics are calculated at 13-Feb-2017 and updated daily. Performances are annualised for periods longer than a year. Inception date is 21-Jun-2002.

The statistics are based on daily total returns (with dividends reinvested). The short-term returns are calculated based on the period examined and are not annualised. On periods longer than a year, the statistics are annualised. The risk-free rates used to calculate the historical Sharpe Ratio are defined according to the regional universe of the index. In case of univariate stock selection, the Beta cap-weighted reference index (Beta CW) is the cap-weighted index whose index constituents are drawn from the same stock selection as that of the Scientific Beta index being analysed. The Broad cap-weighted reference index (Broad CW) is the cap-weighted index whose index constituents cover all stocks in the geographical region of the Scientific Beta index being analysed.

Latest Returns as of 13-Feb-2017

The figure displays the index's absolute returns over recent short time periods.



Latest Relative Performances

Latest Performances refers to basic risk and return information for the most recent part of the strategy's history.

Latest Relative Performances as of 13-Feb-2017

The first table shows the index's relative returns with regard to its Broad cap-weighted reference index (Broad CW) over recent short time periods, and to its Beta cap-weighted reference index (Beta CW) in case of univariate stock selection. The next table reports the relative return, tracking error, and associated Information Ratio since the live date of the index. The last table reports the relative return, tracking error, and associated Information Ratio since inception of the index. For periods longer than a year, the statistics are annualised, whereas the short-term statistics are calculated based on the period examined without annualisation.

| SciBeta USA MBeta MStrat Qty | / Broad CW |
|------------------------------|------------|
| 1-Day Relative Return | -0.16 % |
| 1-Week Relative Return | 0.22 % |
| 1-Month Relative Return | 0.30 % |
| 1-Quarter Relative Return | -0.51 % |
| Year-to-Date Relative Return | 0.21 % |

Analytics are based on daily **total** return index series (dividends reinvested) in **USD**. Analytics are calculated at 13-Feb-2017 and updated daily.

| Live | / Broad CW |
|-------------------|------------|
| Relative Return | -0.01 % |
| Tracking-Error | 2.31 % |
| Information ratio | -0.01 |

Analytics are based on daily **total** return index series (dividends reinvested) in **USD**. Analytics are calculated at 13-Feb-2017 and updated daily. Performances are annualised for periods longer than a year. Live date is 18-Sep-2015.

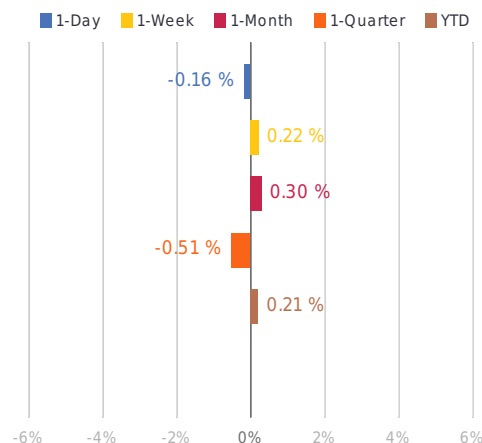
| Since inception | / Broad CW |
|-------------------|------------|
| Relative Return | 2.53 % |
| Tracking-Error | 3.39 % |
| Information ratio | 0.75 |

Analytics are based on daily **total** return index series (dividends reinvested) in **USD**. Analytics are calculated at 13-Feb-2017 and updated daily. Performances are annualised for periods longer than a year. Inception date is 21-Jun-2002.

The statistics are based on daily total returns (with dividends reinvested). The short-term relative returns are calculated based on the period examined and are not annualised. On periods longer than a year, the statistics are annualised. In case of univariate stock selection, the Beta cap-weighted reference index (Beta CW) is the cap-weighted index whose constituents are drawn from the same stock selection as that of the Scientific Beta index being analysed. The Broad cap-weighted reference index (Broad CW) is the cap-weighted index whose index constituents cover all stocks in the geographical region of the Scientific Beta index being analysed.

Latest Relative Returns as of 13-Feb-2017

The figure displays the index's relative returns with regard to its Broad cap-weighted reference index (Broad CW) over recent short time periods.



Annual Performances

Annual Performances refers to calendar year returns.

Annual Returns as of 13-Feb-2017

The table shows the index's annual returns over the last 10 calendar years. The corresponding statistics of the Broad cap-weighted reference index (Broad CW) are also reported, along with those of the Beta cap-weighted reference index (Beta CW) in case of unvaried stock selection.

| SciBeta USA MBeta MStrat Qty | Index | Broad CW |
|------------------------------|----------|----------|
| Year 2017 (YTD) | 4.56 % | 4.35 % |
| Year 2016 | 12.39 % | 11.48 % |
| Year 2015 | 2.10 % | 1.09 % |
| Year 2014 | 16.33 % | 13.77 % |
| Year 2013 | 35.21 % | 32.29 % |
| Year 2012 | 15.96 % | 15.85 % |
| Year 2011 | 3.64 % | 1.60 % |
| Year 2010 | 21.68 % | 15.38 % |
| Year 2009 | 32.31 % | 26.45 % |
| Year 2008 | -33.18 % | -37.46 % |

Analytics are based on daily **total** return index series (dividends reinvested) in **USD**. Analytics are calculated at 13-Feb-2017 and updated daily.

The returns are calculated based on daily total returns (with dividends reinvested). The return of the current calendar year is the year-to-date return without annualisation. In case of unvaried stock selection, the Beta cap-weighted reference index (Beta CW) is the cap-weighted index whose index constituents are the same as the Scientific Beta index being analysed. The Broad cap-weighted reference index (Broad CW) is the cap-weighted index whose index constituents cover all stocks in the geographical region of the Scientific Beta index being analysed.

Annual Relative Returns as of 13-Feb-2017

The table shows the index's annual relative returns with regard to its Broad cap-weighted reference index (Broad CW) over the last 10 calendar years, and to its Beta cap-weighted reference index (Beta CW) in case of unvaried stock selection.

| SciBeta USA MBeta MStrat Qty | / Broad CW |
|------------------------------|------------|
| Year 2017 (YTD) | 0.21 % |
| Year 2016 | 0.91 % |
| Year 2015 | 1.01 % |
| Year 2014 | 2.56 % |
| Year 2013 | 2.92 % |
| Year 2012 | 0.11 % |
| Year 2011 | 2.05 % |
| Year 2010 | 6.29 % |
| Year 2009 | 5.87 % |
| Year 2008 | 4.28 % |

Analytics are based on daily **total** return index series (dividends reinvested) in **USD**. Analytics are calculated at 13-Feb-2017 and updated daily.

The relative returns are calculated based on daily total index returns (with dividends reinvested). The return of the current calendar year is the year-to-date return without annualisation.

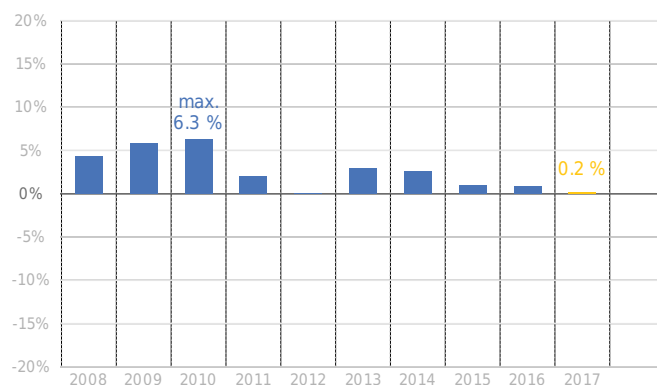
Annual Returns as of 13-Feb-2017

The figure displays the index's annual returns over the last 10 calendar years.



Annual Relative Returns as of 13-Feb-2017

The figure displays the index's annual relative returns with regard to its Broad cap-weighted reference index (Broad CW) over the last 10 calendar years.



Performance Analysis

Performance and Risk Characteristics of equity portfolios allow for the analysis of the reward, the amount of risk and the reward per unit of risk obtained by investors. These characteristics can be calculated in absolute terms, or in relative terms (i.e. in terms of the difference in risks and returns against a cap-weighted reference index).

Performance and Risk Characteristics as of 31-Jan-2017

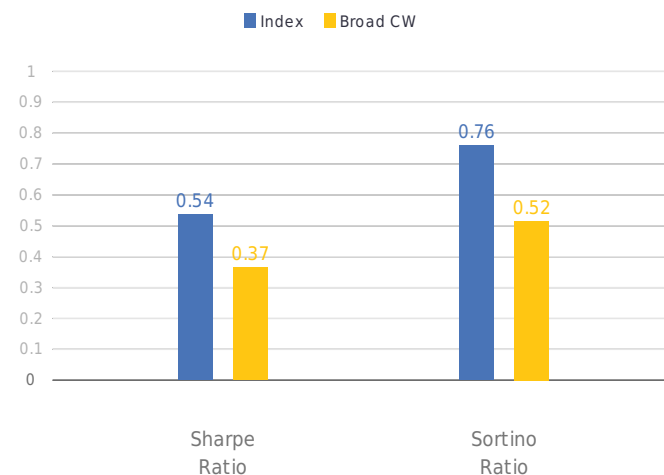
The table shows summary statistics of the index's absolute performance and risk over the selected analysis period. The corresponding statistics of the Broad cap-weighted reference index (Broad CW) are also reported, along with those of the Beta cap-weighted reference index (Beta CW) in case of univariate stock selection.

| SciBeta USA MBeta MStrat Qty | Index | Broad CW |
|------------------------------|---------|----------|
| Return | 10.78 % | 8.25 % |
| Volatility | 17.79 % | 19.22 % |
| Sharpe ratio | 0.54 | 0.37 |
| Sortino ratio | 0.76 | 0.52 |
| Max Drawdown | 48.9 % | 54.6 % |

Analytics are based on daily **total** return index series (dividends reinvested) in **USD**. Analytics are calculated from inception (21-Jun-2002) to 31-Jan-2017. Analytics are updated monthly with EOM values. Performances are annualised for periods longer than a year.

Performance and Risk Characteristics as of 31-Jan-2017

The figure shows the index's Sharpe Ratio and Sortino Ratio over the selected analysis period. The corresponding statistics of the Broad cap-weighted reference index (Broad CW) are also reported.



The statistics are based on daily total returns (with dividends reinvested). On periods longer than a year, statistics are annualised. The risk-free rates used are defined according to the regional universe of the index. In case of univariate stock selection, the Beta cap-weighted reference index (Beta CW) is the cap-weighted index whose constituents are drawn from the same stock selection as that of the Scientific Beta index being analysed. The Broad cap-weighted reference index (Broad CW) is the cap-weighted index whose constituents cover all stocks in the geographic region of the Scientific Beta index being analysed.

Relative Performance and Risk as of 31-Jan-2017

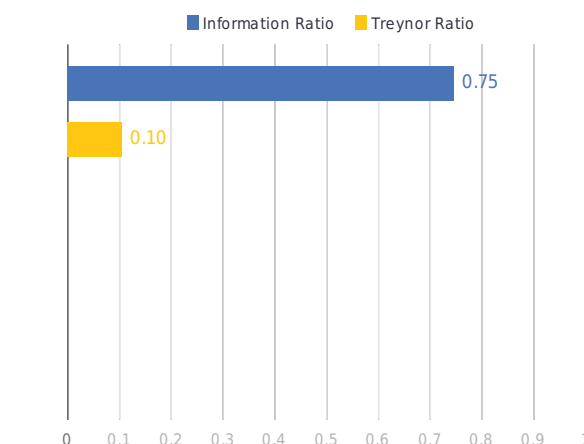
The table shows summary statistics of the index's relative performance and relative risk with regard to its Broad cap-weighted reference index (Broad CW) over the selected analysis period, along with those to its Beta cap-weighted reference index (Beta CW) in case of univariate stock selection.

| SciBeta USA MBeta MStrat Qty | / Broad CW |
|------------------------------|------------|
| Relative Return Over CW | 2.53 % |
| Tracking-Error | 3.40 % |
| Information Ratio | 0.75 |
| Treynor Ratio | 0.10 |
| Max Relative Drawdown | 4.4 % |

Analytics are based on daily **total** return index series (dividends reinvested) in **USD**. Analytics are calculated from inception (21-Jun-2002) to 31-Jan-2017. Analytics are updated monthly with EOM values. Performances are annualised for periods longer than a year.

Relative Performance and Risk as of 31-Jan-2017

The figure shows the index's Information Ratio and Treynor Ratio with regard to its Broad cap-weighted reference index (Broad CW) respectively over the selected analysis period.



The statistics are based on daily total returns (with dividends reinvested). On periods longer than a year, statistics are annualised.

Risk Analysis

Performance and Risk Characteristics of equity portfolios allow for the analysis of the reward, the amount of risk and the reward per unit of risk obtained by investors.

Risk Analysis as of 31-Jan-2017

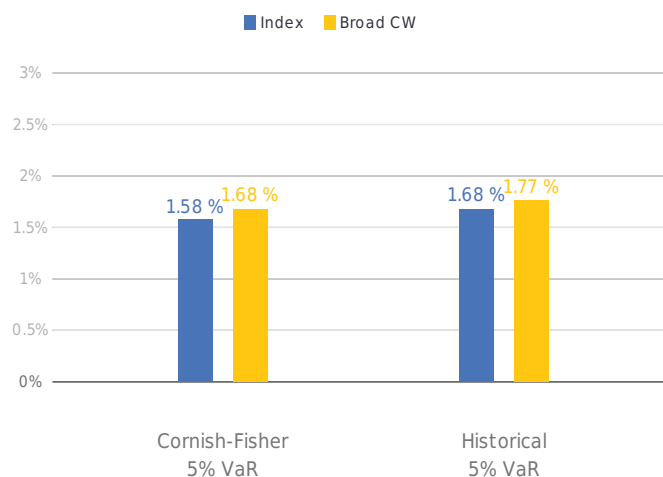
The table shows summary statistics of the index's absolute performance and risk over the selected analysis period. The corresponding statistics of the Broad cap-weighted reference index (Broad CW) are also reported.

| SciBeta USA MBeta MStrat Qty | Index | Broad CW |
|------------------------------|--------|----------|
| Cornish-Fisher 5% VaR | 1.58 % | 1.68 % |
| Historical 5% VaR | 1.68 % | 1.77 % |
| Max Drawdown | 48.9 % | 54.6 % |
| Time Under Water | 880 | 1 164 |

Analytics are based on daily **total** return index series (dividends reinvested) in **USD**. Analytics are calculated from inception (21-Jun-2002) to 31-Jan-2017. Analytics are updated monthly with EOM values.

Risk Analysis as of 31-Jan-2017

The figure shows the index's Cornish-Fisher Value-at-Risk and Historical Value-at-Risk over the selected analysis period. The corresponding statistics of the Broad cap-weighted reference index (Broad CW) are also reported.



The statistics are based on daily total returns (with dividends reinvested). All statistics are annualised and performance ratios that involve the average returns are based on the geometric average, which reliably reflects multiple holding period returns for investors. The risk-free rates used are defined according to the regional universe of the index. The Broad cap-weighted reference index (Broad CW) is the cap-weighted index whose index constituents cover all stocks in the geographic region of the Scientific Beta index being analysed.

Relative Risk Analysis as of 31-Jan-2017

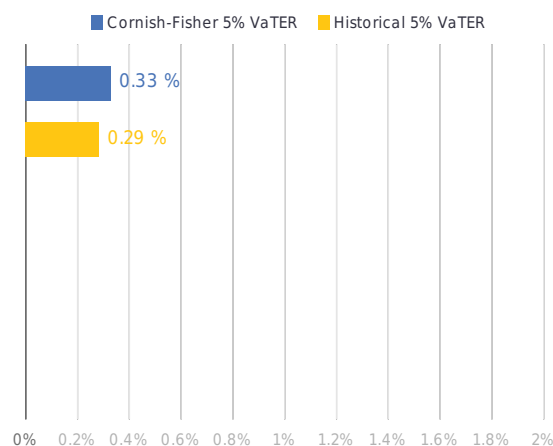
The table shows summary statistics of the index's relative performance and relative risk with regard to its Broad cap-weighted reference index (Broad CW) over the selected analysis period.

| SciBeta USA MBeta MStrat Qty | / Broad CW |
|------------------------------|------------|
| Cornish-Fisher 5% VaTER | 0.33 % |
| Historical 5% VaTER | 0.29 % |
| Max Relative Drawdown | 4.4 % |
| Rel. Time Under Water | 457 |
| Extreme Relative Return (5%) | -1.63 % |
| Extreme Tracking-Error (95%) | 7.28 % |
| Average Tracking-Error | 2.97 % |

Analytics are based on daily **total** return index series (dividends reinvested) in **USD**. Analytics are calculated from inception (21-Jun-2002) to 31-Jan-2017. Analytics are updated monthly with EOM values.

Relative Risk Analysis as of 31-Jan-2017

The figure shows the index's Cornish-Fisher Value-at-Tracking Error and Historical Value-at-Tracking Error with regard to its Broad cap-weighted reference index (Broad CW) over the selected analysis period.



The statistics are based on daily total returns (with dividends reinvested). All statistics are annualised and performance ratios that involve the average returns are based on the geometric average, which reliably reflects multiple holding period returns for investors. The risk-free rates used are defined according to the regional universe of the index. The Broad cap-weighted reference index (Broad CW) is the cap-weighted index whose constituents cover all stocks in the geographic region of the Scientific Beta index being analysed.

Robustness Analysis

Alternative weighting schemes may expose an investor to a risk of underperforming respective cap-weighted reference indices over short investment horizons. Moreover, it seems reasonable to assume that certain market conditions may influence the capacity of a given weighting scheme to provide outperformance over the cap-weighted reference index. The Scientific Beta robustness analysis provides insights on the conditions of outperformance or underperformance of Scientific Beta indices with regard to their cap-weighted reference index.

Robustness Analysis as of 31-Jan-2017

The table shows summary statistics of the index's relative performance and relative risk (with respect to its cap-weighted reference index) as well as the 1Y, 3Y and 5Y Probabilities of Outperformance, over the last 10 years, and for the corresponding US Long-Term, over the last 40 years.

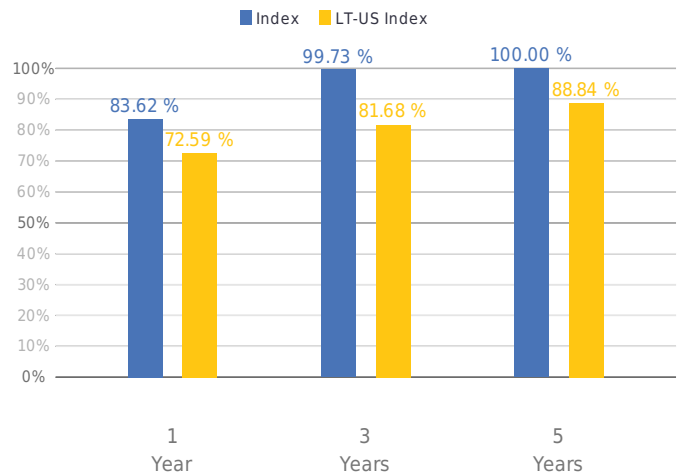
| SciBeta USA MBeta MStrat Qty | Index | LT-US |
|------------------------------|-------------|-------------|
| Excess Return | 2.47 % | 3.24 % |
| Tracking-Error | 3.58 % | 4.43 % |
| Information Ratio | 0.69 | 0.73 |
| Prob. of Outperf. (1 year) | 83.6 % | 72.6 % |
| Prob. of Outperf. (3 years) | 99.7 % | 81.7 % |
| Prob. of Outperf. (5 years) | 100.0 % | 88.8 % |
| End of Period | 31-Jan-2017 | 31-Dec-2015 |
| Period | 10 years | 40 years |

Analytics are based on daily **total** return index series (dividends reinvested) in **USD**.
 Analytics are calculated at 31-Jan-2017.
 Analytics are updated monthly with EOM values.
 Performances are annualised for periods longer than a year.

The statistics are based on daily total returns (with dividends reinvested). All statistics are annualised and based on the geometric average, which reliably reflects multiple holding period returns for investors.

Robustness Analysis as of 31-Jan-2017

The figure, based on a rolling window analysis, shows the 1, 3, and 5 year Probability of Outperformance with respect to the cap-weighted reference index.



Top Holdings

Top Holdings refers to the information on the largest companies in the strategy portfolio ordered by their weights.

Top Holdings as of 16-Dec-2016

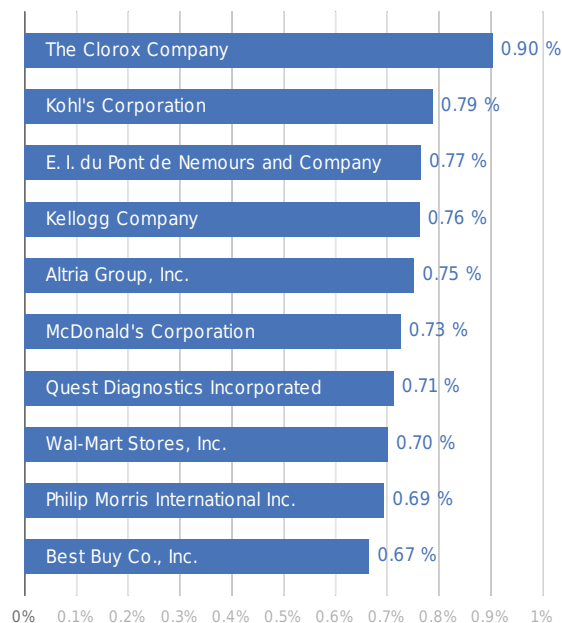
The table lists the weights of the ten largest constituents of the index, in descending order, based on the index's weight profile at the last quarterly rebalancing.

| SciBeta USA MBeta MStrat Qty | Country | Weight |
|--------------------------------------|---------|--------|
| The Clorox Company | US | 0.90 % |
| Kohl's Corporation | US | 0.79 % |
| E. I. du Pont de Nemours and Company | US | 0.77 % |
| Kellogg Company | US | 0.76 % |
| Altria Group, Inc. | US | 0.75 % |
| McDonald's Corporation | US | 0.73 % |
| Quest Diagnostics Incorporated | US | 0.71 % |
| Wal-Mart Stores, Inc. | US | 0.70 % |
| Philip Morris International Inc. | US | 0.69 % |
| Best Buy Co., Inc. | US | 0.67 % |

Analytics are calculated at 16-Dec-2016.
Analytics are updated quarterly.

Top Holdings as of 16-Dec-2016

The figure displays the weights of the ten largest constituents of the index, in descending order, based on the index's weight profile at the last quarterly rebalancing.



Weight Profile Analysis

Weight Profile Analysis refers to the allocation of the investment weights to the constituents in the strategy.

Index Weight Concentration as of 16-Dec-2016

The table shows the index concentration level under various portfolio concentration measures based on the index's weight profile at the last rebalancing time, and the low correlation objective measure (GLR) based on historical returns and the index's historical weights since inception. The quarterly calculated active share expresses the overall deviation of the index vis-à-vis its Broad cap-weighted reference, calculated as half of the sum of the absolute deviations. The corresponding statistics of the Broad cap-weighted reference index (Broad CW) are also reported, along with those of the Beta cap-weighted reference index (Beta CW) in case of univariated stock selection.

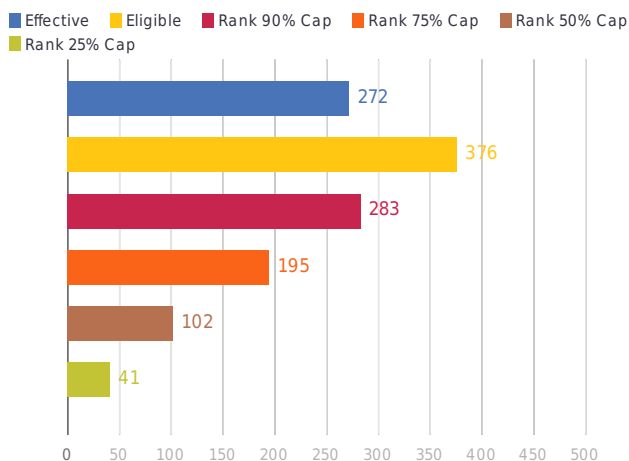
| SciBeta USA MBeta MStrat Qty | Index | Broad CW |
|----------------------------------|---------|----------|
| Effective Number of Constituents | 272 | 149 |
| Number of Eligible Constituents | 376 | 500 |
| Nb. Stocks Cumul. to 90% Cap | 283 | 313 |
| Nb. Stocks Cumul. to 75% Cap | 195 | 167 |
| Nb. Stocks Cumul. to 50% Cap | 102 | 59 |
| Nb. Stocks Cumul. to 25% Cap | 41 | 17 |
| Deconcentration ratio | 72.4 % | 29.7 % |
| Active Share | 51.83 % | 0.00 % |
| Active Share (average) | 52.16 % | 0.00 % |
| GLR | 26.8 % | 30.6 % |

Analytics are calculated at 16-Dec-2016.
Analytics are updated quarterly.

In case of univariated stock selection, the Beta cap-weighted reference index (Beta CW) is the cap-weighted index whose constituents are drawn from the same stock selection as that of the Scientific Beta index being analysed. The Broad cap-weighted reference index (Broad CW) is the cap-weighted index whose constituents cover all stocks in the geographic region of the Scientific Beta index being analysed.

Index Weight Concentration as of 16-Dec-2016

The figure displays the index concentration level under various portfolio concentration measures based on the index's weight profile at the last rebalancing time.



Multi-Beta Allocation

Multi-Beta Allocation refers to the information on the weights allocated to the underlying indices that compose the Multi-Beta Index.

Multi-Beta Allocation as of 16-Dec-2016

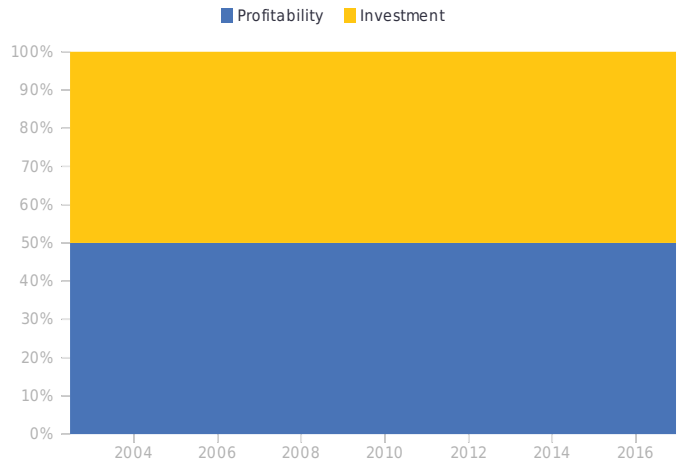
The Multi-Beta Allocation shows the average weight allocated to the underlying indices since inception and at the latest quarterly review.

| SciBeta USA MBeta MStrat Qty | Latest | Average |
|------------------------------|--------|---------|
| SciBeta USA HProf MStrat | 50.0 % | 50.0 % |
| SciBeta USA LInv MStrat | 50.0 % | 50.0 % |

Analytics are calculated at 16-Dec-2016.
Analytics are updated quarterly.

Multi-Beta Allocation as of 16-Dec-2016

The Multi-Beta Allocation graph exhibits the historical quarterly weights allocated to the underlying indices since index inception.



CAPM Analysis

The Capital Asset Pricing Model (CAPM) theoretically establishes the relationship between the expected excess return of an equity portfolio and its systematic risk as measured by its exposure to market risk. In CAPM analysis, the equity portfolio excess returns are regressed against market excess returns in order to estimate the exposure to market risk, and that exposure is then used to decompose the returns into reward for being exposed to the equity market and portfolio-specific returns.

CAPM Analysis as of 31-Jan-2017

The table shows the coefficient estimates and R-squared of the regression of the index's excess returns (over the risk-free rate) using the CAPM single factor model over the selected analysis period. Based on the factor exposure, the excess returns attributed to each factor are reported in the last column. The t-statistics associated with the coefficient estimates are also reported.

| SciBeta USA MBeta MStrat Qty | Coefficient | t-stat | Perf. |
|------------------------------|-------------|--------|--------|
| Alpha | 2.72 % | 3.6 | 2.93 % |
| Market | 0.94 | 156.0 | 6.50 % |
| r ² | 0.97 | | |

Analytics are based on weekly **total** return index series (dividends reinvested) in **USD**.

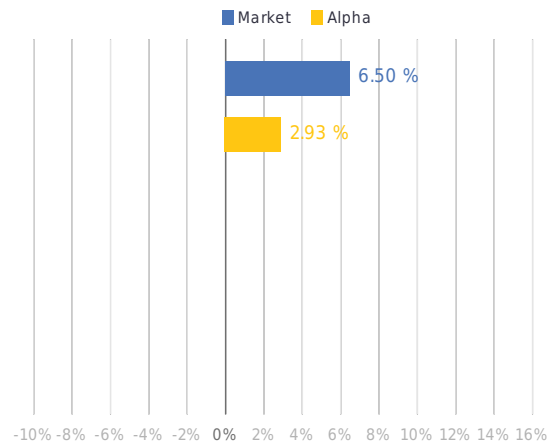
Analytics are calculated from inception (21-Jun-2002) to 31-Jan-2017.

Analytics are updated monthly with EOM values.

Performances are annualised for periods longer than a year.

CAPM Performance Attribution as of 31-Jan-2017

The figure displays the attribution of the index's excess return (over the risk-free rate) to market factor and unexplained excess returns (Alpha).



The data are weekly total returns (with dividends reinvested). The Market factor is the weekly return of the cap-weighted index of all stocks that constitute the index portfolio. The risk-free rates used are defined according to the regional universe of the index.

Fama-French Factor Analysis

The Fama-French factor model extends the CAPM model by adding the small size factor and the value factor. In Fama-French factor analysis, we explain the equity portfolio performance via linear regression using all three risk factors to better understand the potential factor or investment style biases as well as to form a clear idea of its risk-adjusted performance.

Fama-French Factor Analysis as of 31-Jan-2017

The table shows the coefficient estimates and R-squared of the regression of index's excess returns (over the risk-free rate) using the Fama French three-factor model over the selected analysis period. Based on the factor exposure, the excess returns attributed to each factor are reported in the last column. The t-statistics associated with the coefficient estimates are also reported.

| SciBeta USA MBeta MStrat Qty | Coefficient | t-stat | Perf. |
|------------------------------|-------------|--------|---------|
| Alpha | 2.44 % | 3.8 | 2.65 % |
| Market factor | 0.94 | 155.7 | 6.49 % |
| Size (SMB) factor | 0.12 | 13.5 | 0.55 % |
| Value (HML) factor | -0.10 | -11.5 | -0.27 % |
| r ² | 0.98 | | |

Analytics are based on weekly **total** return index series (dividends reinvested) in **USD**.

Analytics are calculated from inception (21-Jun-2002) to 31-Jan-2017.

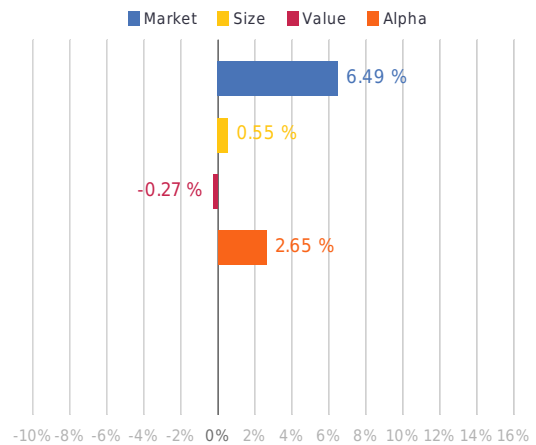
Analytics are updated monthly with EOM values.

Performances are annualised for periods longer than a year.

The data are weekly total returns (with dividends reinvested). The Market factor is the weekly return series of the cap-weighted index of all stocks that constitute the index portfolio. SMB factor is the weekly return series of a portfolio that is long for the bottom 30% stocks ranked by market capitalisation (mid market-cap stocks) and short for the top 30% stocks ranked by market capitalisation (large market-cap stocks). HML factor is the weekly return series of a portfolio that is long for the top 30% stocks (value stocks) and short for the bottom 30% stocks (growth stocks) sorted on book-to-market value in descending order. The risk-free rates used are defined according to the regional universe of the strategy.

Fama-French Factor Performance Attribution as of 31-Jan-2017

The figure displays attribution of the index's excess return (over the risk-free rate) to market factor, HML factor, SMB factor, and unexplained excess returns (Alpha).



Carhart Factor Analysis

Carhart (1997) proposes an extended four-factor model incorporating the momentum factor. In Carhart four factor analysis, we explain the equity portfolio performance via linear regression using four risk factors to better understand the potential factor or investment style biases as well as to form a clear idea of its risk-adjusted performance.

Carhart Factor Analysis as of 31-Jan-2017

The table shows the coefficient estimates and r-square of the regression of the strategy's excess returns (over the risk-free rate) using the Carhart four-factor model over the selected analysis period. Based on the factor exposure, the excess returns attributed to each factor are reported in the last column. The t-statistics associated with the coefficient estimates are also reported.

| SciBeta USA MBeta MStrat Qty | Coefficient | t-stat | Perf. |
|------------------------------|-------------|--------|---------|
| Alpha | 2.41 % | 3.8 | 2.67 % |
| Market factor | 0.94 | 157.3 | 6.49 % |
| Size (SMB) factor | 0.12 | 13.3 | 0.54 % |
| Value (HML) factor | -0.07 | -6.8 | -0.20 % |
| Momentum (MOM) factor | 0.03 | 4.2 | -0.08 % |
| r ² | 0.98 | | |

Analytics are based on weekly **total** return index series (dividends reinvested) in **USD**.

Analytics are calculated from inception (21-Jun-2002) to 31-Jan-2017.

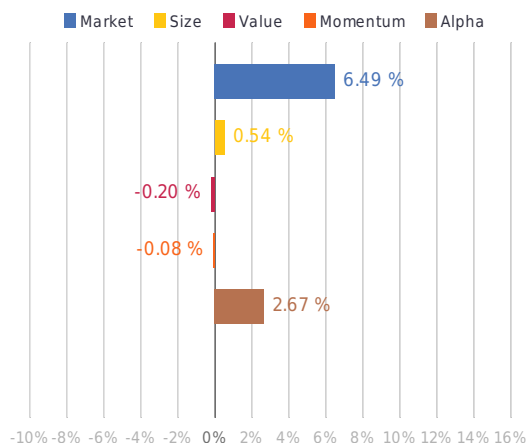
Analytics are updated monthly with EOM values.

Performances are annualised for periods longer than a year.

The data are weekly total returns (with dividends reinvested). The Market factor is the weekly return series of the cap-weighted index of all stocks that constitute the index portfolio. SMB factor is the weekly return series of a portfolio that is long for the bottom 30% stocks ranked by market capitalisation (mid market-cap stocks) and short for the top 30% stocks ranked by market capitalisation (large market-cap stocks). HML factor is the weekly return series of a portfolio that is long for the top 30% stocks (value stocks) and short for the bottom 30% stocks (growth stocks) sorted on book-to-market value in descending order. The MOM factor is calculated as the weekly return series of a cap-weighted portfolio that is long the winner stocks and short the loser stocks. The winner stocks (inversely the loser stocks) are defined as the top 30% (inversely the bottom 30%) of stocks, sorted on the past 52 weeks' compounded returns excluding the most recent month, in descending order. The risk-free rates used are defined according to the regional universe of the index.

Carhart Factor Performance Attribution as of 31-Jan-2017

The figure displays the attribution of the index's excess return (over the risk-free rate) to market factor, HML factor, SMB factor, MOM factor, and unexplained excess returns (Alpha).



Sector Performance Attribution

Sector Performance Attribution as of 31-Jan-2017

The table shows the results of Menchero Multi-period Attribution, in which the index's outperformance with regard to its cap-weighted reference index is broken down into stock effect, sector effect, and interaction effect. The analysis is based on the selected period.

| SciBeta USA MBeta MStrat Qty | Index | Ref | Excess | Stock | Sector | Inter |
|---------------------------------|---------|---------|---------|----------------|----------------|----------------|
| Energy | 5.89 % | 10.24 % | -4.35 % | 1.57 % | -0.19 % | -0.38 % |
| Basic Materials | 4.51 % | 3.31 % | 1.20 % | 0.87 % | 0.29 % | 0.32 % |
| Industrials | 11.60 % | 11.85 % | -0.25 % | 2.04 % | 0.37 % | 0.05 % |
| Cyclical Consumer | 17.71 % | 11.69 % | 6.02 % | -1.94 % | -0.79 % | -1.47 % |
| Non-Cyclical Consumer | 16.03 % | 9.65 % | 6.38 % | 0.36 % | -3.05 % | -0.03 % |
| Financials | 10.06 % | 18.81 % | -8.75 % | 3.76 % | 0.61 % | -2.97 % |
| Healthcare | 12.85 % | 11.71 % | 1.14 % | 5.28 % | -0.51 % | -0.11 % |
| Technology | 14.72 % | 16.22 % | -1.49 % | -2.96 % | -0.55 % | 0.19 % |
| Telecoms | 2.41 % | 3.33 % | -0.92 % | 1.41 % | 0.18 % | -0.41 % |
| Utilities | 4.22 % | 3.20 % | 1.03 % | 0.50 % | 0.09 % | 0.00 % |
| Total | | | | 10.89 % | -3.55 % | -4.81 % |

Analytics are based on daily **total** return index series (dividends reinvested).

Analytics are calculated from inception to 31-Jan-2017.

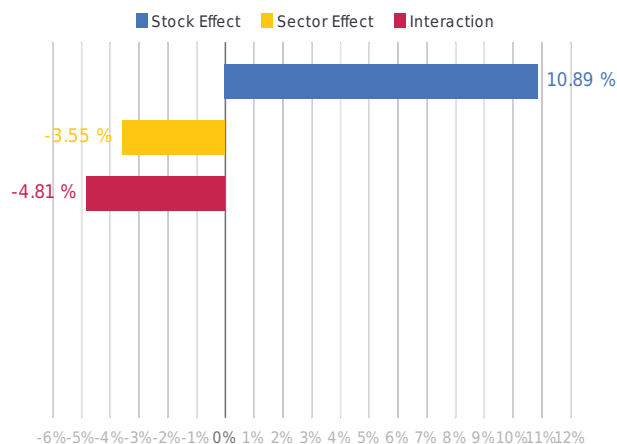
Analytics are updated monthly with EOM values.

Performances are annualised for periods longer than a year.

Please see Menchero Multi-period Attribution in the glossary for a detailed explanation of the attribution model. The sector classification used is the Thomson Reuters Business Classification. The statistics of historical performance are annualised.

Sector Performance Attribution as of 31-Jan-2017

The figure displays the breakdown of the index's outperformance with regard to its cap-weighted reference index into returns attributed to stock effect, sector effect, and interaction effect from the Menchero Multi-period Attribution model. The analysis is based on the selected period.



Index Fundamentals

Fundamental attributes refers to the fundamental aggregate characteristics of the index.

Index Fundamentals as of 16-Dec-2016

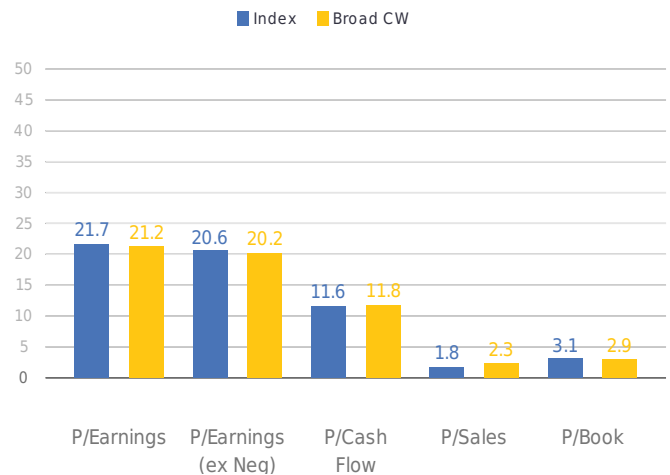
The table shows the index's fundamental attributes based on the index's weight profile at the last rebalancing time. The corresponding statistics of the Broad cap-weighted reference index (Broad CW) are also reported.

| SciBeta USA MBeta MStrat Qty | Index | Broad CW |
|------------------------------|--------|----------|
| Price / Earnings | 21.69 | 21.24 |
| Price / Earnings (ex Neg) | 20.57 | 20.22 |
| Price / Cash Flow | 11.62 | 11.82 |
| Price / Sales | 1.76 | 2.29 |
| Price / Book Value | 3.13 | 2.93 |
| Dividend Yield | 2.00 % | 2.08 % |

Analytics are calculated at 16-Dec-2016.
Analytics are updated quarterly.

Index Fundamentals as of 16-Dec-2016

The figure displays the index's fundamental attributes based on the index's weight profile at the last rebalancing time. The corresponding statistics of the Broad cap-weighted reference index (Broad CW) are also reported.



The Broad cap-weighted reference index (Broad CW) is the cap-weighted index whose constituents cover all stocks in the geographic region of the Scientific Beta index being analysed.

Extreme Risk Analysis

The Extreme Risk Analytics calculate two measures of downside risk - Value-at-Risk and Conditional Value-at-Risk - aggregated over a certain time period together with the corresponding risk-adjusted returns and also provide monthly forecasts of the two risk measures based on a conditional time-series model that takes into account the clustering of volatility and assumes the conditional return distribution is fat-tailed.

Extreme Risk Analysis as of 31-Jan-2017

The table shows summary statistics of the index's extreme risk over the selected analysis period. The corresponding statistics of the Broad cap-weighted reference index (Broad CW) are also reported.

| SciBeta USA MBeta MStrat Qty | Index | Broad CW |
|------------------------------|---------|----------|
| Return | 10.78 % | 8.25 % |
| EVT 1% VaR | 2.21 % | 2.37 % |
| EVT 1% CVaR | 2.68 % | 2.89 % |
| Ret to EVT 1% VaR ratio | 0.27 | 0.18 |
| Ret to EVT 1% CVaR ratio | 0.22 | 0.15 |
| For. Monthly EVT 1% VaR | 7.30 % | 7.44 % |
| For. Monthly EVT 1% CVaR | 8.83 % | 8.98 % |

Analytics are based on daily **total** return index series (dividends reinvested) in **USD**.
 Analytics are calculated from inception (21-Jun-2002) to 31-Jan-2017.
 Analytics are updated monthly with EOM values.
 Performances are annualised for periods longer than a year.

Broad CW is the cap-weighted index whose constituents cover all stocks in the geographic region of the Scientific Beta index being analysed.

Extreme Relative Risk Analysis as of 31-Jan-2017

The table shows summary statistics of the index's extreme relative risk with regard to its Broad cap-weighted reference index (Broad CW) over the selected analysis period.

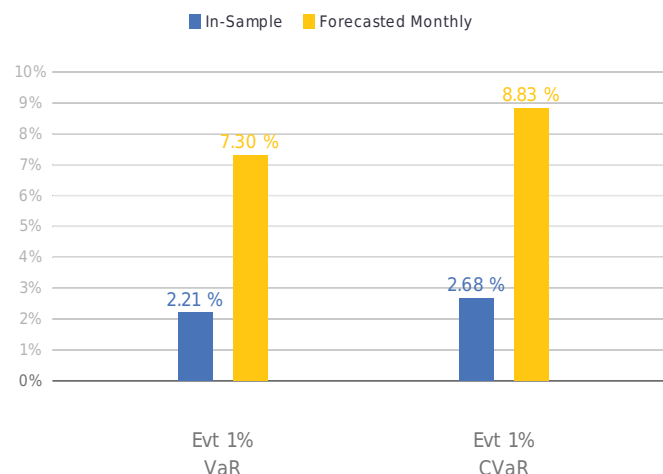
| SciBeta USA MBeta MStrat Qty | / Broad CW |
|------------------------------|------------|
| Excess Return | 2.53 % |
| EVT 1% VaTER | 0.47 % |
| EVT 1% CVaTER | 0.58 % |
| Ret to EVT 1% VaTER ratio | 0.33 |
| Ret to EVT 1% CVaTER ratio | 0.27 |
| For. Monthly EVT 1% VaTER | 1.61 % |
| For. Monthly EVT 1% CVaTER | 2.00 % |

Analytics are based on daily **total** return index series (dividends reinvested) in **USD**.
 Analytics are calculated from inception (21-Jun-2002) to 31-Jan-2017.
 Analytics are updated monthly with EOM values.
 Performances are annualised for periods longer than a year.

Broad CW is the cap-weighted index whose constituents cover all stocks in the geographic region of the Scientific Beta index being analysed.

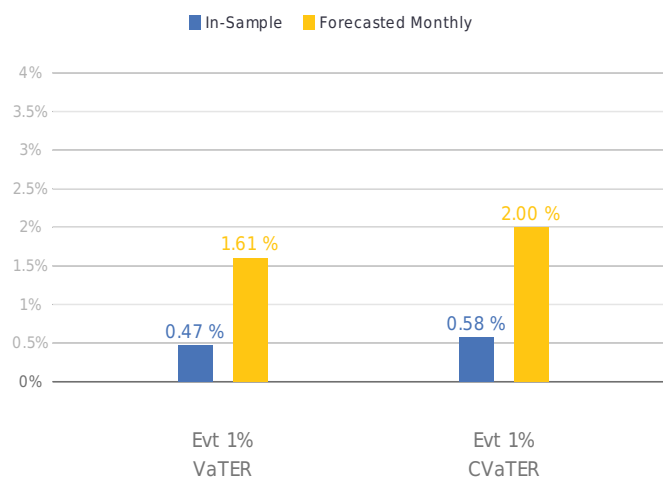
Extreme Risk Analysis as of 31-Jan-2017

The figure shows the in-sample and forecasted monthly Value-at-Risk and Conditional Value-at-Risk for the index over the selected analysis period.



Extreme Relative Risk Analysis as of 31-Jan-2017

The figure shows the in-sample and forecasted monthly Value-at-Tracking Error and Conditional Value-at-Tracking Error for the index over the selected analysis period.



Risk Factor Exposure

The Risk Factor Exposure analysis assesses the exposure of a given strategy to a set of seven factors: Market factor, Size factor, Value factor, Momentum factor, Volatility factor, Profitability factor and Investment factor.

Risk Factor Exposure as of 31-Jan-2017

The table shows the coefficient estimates and r-square of the regression of the strategy's excess returns (over the risk-free rate) using the seven-factor model over the selected analysis period. The t-statistics associated with the coefficient estimates are also reported.

| SciBeta USA MBeta MStrat Qty | Coefficient | t-stat |
|------------------------------|-------------|--------|
| Unexplained | 1.85 % | 3.0 |
| Market factor | 0.96 | 133.6 |
| Size (SMB) factor | 0.11 | 11.0 |
| Value (HML) factor | -0.01 | -0.6 |
| Momentum (MOM) factor | 0.02 | 2.9 |
| Volatility factor | -0.00 | -0.1 |
| Profitability factor | 0.12 | 8.0 |
| Investment factor | 0.09 | 5.9 |
| r ² | 0.98 | |

Analytics are based on weekly **total** return index series (dividends reinvested) in **USD**.

Analytics are calculated from inception (21-Jun-2002) to 31-Jan-2017.

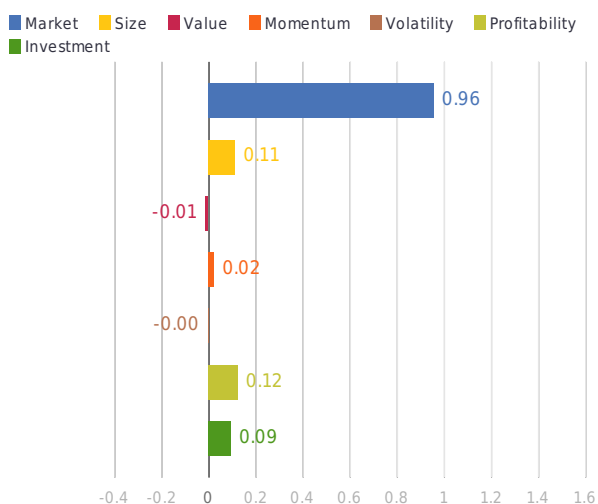
Analytics are updated monthly with EOM values.

Performances are annualised for periods longer than a year.

The regression is based on weekly total returns (with dividends reinvested). The Market factor is the excess return series of the cap-weighted index of all stocks that constitute the index portfolio over the risk-free rate. SMB factor is the return series of an equal-weighted portfolio that is long for the bottom 30% stocks ranked by market capitalisation (mid market-cap stocks) and short for the top 30% stocks ranked by market capitalisation (large market-cap stocks). HML factor is the return series of an equal-weighted portfolio that is long for the top 30% stocks (value stocks) and short for the bottom 30% stocks (growth stocks) sorted on book-to-market value in descending order. The MOM factor is the return series of an equal-weighted portfolio that is long the winner stocks and short the loser stocks. The winner stocks (inversely the loser stocks) are defined as the top 30% (inversely the bottom 30%) of stocks, sorted on the past 52 weeks' compounded returns excluding the most recent month, in descending order. The VOL factor is the return series of an equal-weighted portfolio that is long the bottom 30% stocks (low volatility stocks) and short the top 30% stocks (high volatility stocks) sorted on past volatility in descending order. The PRO factor is the return series of an equal-weighted portfolio that is long the top 30% stocks (high profitability stocks) and short the bottom 30% stocks (low profitability stocks) sorted on gross profitability in descending order. The INV factor is the return series of an equal-weighted portfolio that is long the bottom 30% stocks (low investment stocks) and short the top 30% stocks (high investment stocks) sorted on two year asset growth in descending order. The risk-free rates used are defined according to the regional universe of the index.

Risk Factor Exposure as of 31-Jan-2017

The figure displays the exposure of the index's excess return (over the risk-free rate) to Market factor, SMB factor, HML factor, MOM factor, VOL factor, PRO factor and INV factor.



Bull/Bear Market Performances

Bull / Bear Market Performances refer to return and risk in phases with positive/negative market returns.

Bull / Bear Market Performances as of 31-Jan-2017

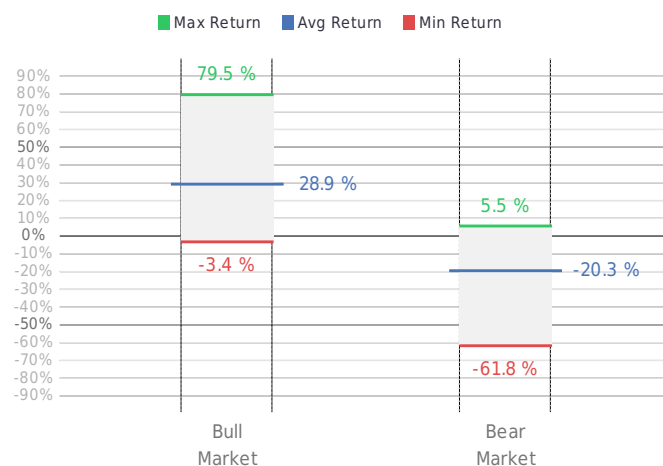
The analysis is based on the complete history of index returns. The table shows general statistics of the index's absolute performance and risk in the periods of bull and bear market regimes respectively.

| SciBeta USA MBeta MStrat Qty | Bull Market | Bear Market |
|------------------------------|-------------|-------------|
| Return | 27.18 % | -22.85 % |
| Volatility | 13.28 % | 26.15 % |
| Sharpe ratio | 1.96 | -0.92 |

Analytics are based on daily **total** return index series (dividends reinvested) in **USD**. Analytics are calculated from inception (21-Jun-2002) to 31-Jan-2017. Analytics are updated monthly with EOM values. Performances are annualised.

Bull / Bear Market Performances as of 31-Jan-2017

The figure displays the index's average, minimum, and maximum annualised absolute returns in quarters characterised by bull and bear market regimes respectively. The analysis is based on the complete history of index returns.



The statistics are based on daily total returns (with dividends reinvested). The returns and volatility are annualised. The risk-free rate used is defined according to the regional universe of the index.

Bull / Bear Market Rel. Performances as of 31-Jan-2017

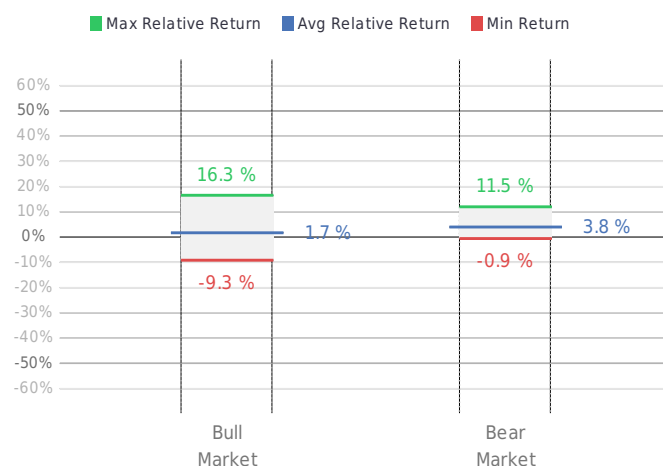
The analysis is based on the complete history of index returns. The table shows general statistics of the index's relative performance and relative risk (with respect to its cap-weighted reference index) in the periods of bull and bear market regimes respectively.

| SciBeta USA MBeta MStrat Qty | Bull Market | Bear Market |
|------------------------------|-------------|-------------|
| Relative Return | 1.76 % | 3.77 % |
| Tracking-Error | 2.64 % | 4.84 % |
| Information Ratio | 0.67 | 0.78 |

Analytics are based on daily **total** return index series (dividends reinvested) in **USD**. Analytics are calculated from inception (21-Jun-2002) to 31-Jan-2017. Analytics are updated monthly with EOM values. Performances are annualised.

Bull / Bear Market Rel. Performances as of 31-Jan-2017

The figure displays the index's average, minimum and maximum annualised relative returns (with respect to its cap-weighted reference index) in quarters characterised by bull and bear market regimes, respectively. The analysis is based on the complete history of index returns.



The statistics are based on daily total returns (with dividends reinvested). The relative returns and tracking error are annualised. The risk-free rate used is defined according to the regional universe of the index.

High/Low Vol Regime Performances

High / Low Volatility Regime Performances indicate performance statistics in high/low volatility regimes.

High / Low Vol Regime Performances as of 31-Jan-2017

The analysis is based on the complete history of index returns. The table shows general statistics of the index's absolute performance and risk in the periods of high and low volatility market regimes respectively.

| SciBeta USA MBeta MStrat Qty | High Vol Regime | Low Vol Regime |
|------------------------------|-----------------|----------------|
| Annualized Return | 2.58 % | 19.66 % |
| Volatility | 22.91 % | 10.52 % |
| Sharpe ratio | 0.08 | 1.71 |

Analytics are based on daily **total** return index series (dividends reinvested) in **USD**. Analytics are calculated from inception (21-Jun-2002) to 31-Jan-2017. Analytics are updated monthly with EOM values. Performances are annualised.

The statistics are based on daily total returns (with dividends reinvested). The returns and volatility are annualised. The risk-free rate used is defined according to the regional universe of the index.

High / Low Vol Regime Rel. Performances as of 31-Jan-2017

The analysis is based on the complete history of index returns. The table shows general statistics of the index's relative performance and relative risk (with respect to its cap-weighted reference index) in the periods of high and low volatility market regimes respectively.

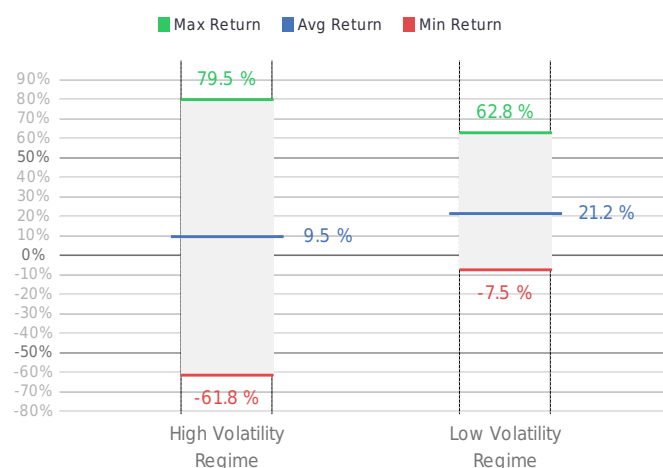
| SciBeta USA MBeta MStrat Qty | High Vol Regime | Low Vol Regime |
|------------------------------|-----------------|----------------|
| Annualized Relative Return | 3.22 % | 1.89 % |
| Tracking-Error | 4.28 % | 2.17 % |
| Information Ratio | 0.75 | 0.87 |

Analytics are based on daily **total** return index series (dividends reinvested) in **USD**. Analytics are calculated from inception (21-Jun-2002) to 31-Jan-2017. Analytics are updated monthly with EOM values. Performances are annualised.

The statistics are based on daily total returns (with dividends reinvested). The relative returns and tracking error are annualised. The risk-free rate used is defined according to the regional universe of the index.

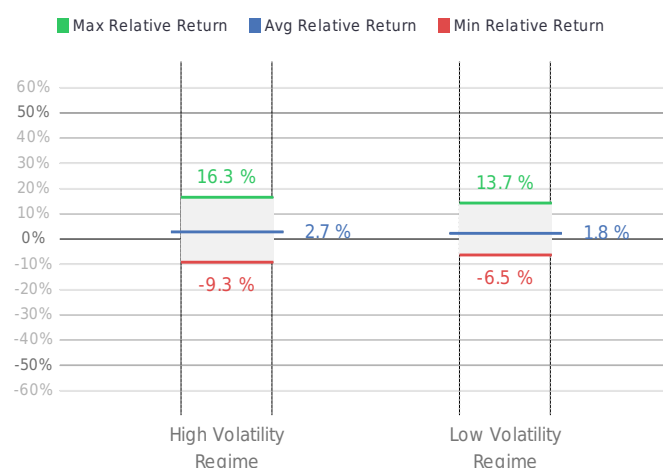
High / Low Vol Regime Performances as of 31-Jan-2017

The figure displays the index's average, minimum, and maximum quarterly absolute returns in quarters characterised by high and low volatility market regimes respectively. The analysis is based on the complete history of index returns.



High / Low Vol Regime Rel. Performances as of 31-Jan-2017

The figure displays the index's average, minimum and maximum quarterly relative returns (with respect to its cap-weighted reference index) in quarters characterised by high and low volatility market regimes, respectively. The analysis is based on the complete history of index returns.



Turnover & Capacity

Turnover and capacity analysis addresses the main implementation issues of ERI Scientific Beta indices.

Turnover & Capacity as of 16-Dec-2016

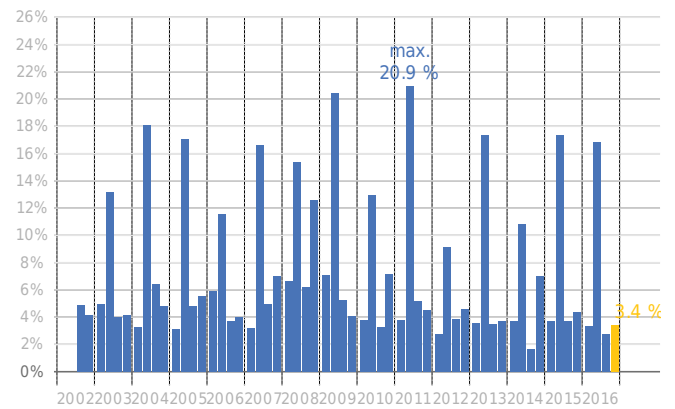
The table shows the turnover level of the index in % and the capacity of the index as measured by the average market capitalisations, in M\$. The corresponding statistics of the Broad cap-weighted reference index (Broad CW) are also reported, along with those of the Beta cap-weighted reference index (Beta CW) in case of univariated stock selection.

| SciBeta USA MBeta MStrat Qty | Index | Broad CW |
|------------------------------|--------|----------|
| Turnover (annualised) | 29.1 % | 4.0 % |
| Average Capacity (M\$) | 30 325 | 93 479 |
| Latest Capacity (M\$) | 46 595 | 134 030 |

Analytics are calculated at 16-Dec-2016.
Analytics are updated quarterly.

Turnover History as of 16-Dec-2016

The chart below shows the turnover history of the index since inception on a quarterly basis.



In case of univariated stock selection, the Beta cap-weighted reference index (Beta CW) is the cap-weighted index whose constituents are drawn from the same stock selection as that of the Scientific Beta index being analysed. The Broad cap-weighted reference index (Broad CW) is the cap-weighted index whose constituents cover all stocks in the geographic region of the Scientific Beta index being analysed.

Sector Allocation

Sector Allocation refers to the separation of investment weights of the strategy portfolio into various sectors.

Sector Allocation as of 16-Dec-2016

The table shows industry sector exposures (in weight percentage) of the index, based on the index's weight profile at the last rebalancing time.

| SciBeta USA MBeta MStrat Qty | Weight |
|------------------------------|--------|
| Energy | 4.5 % |
| Basic Materials | 4.6 % |
| Industrials | 16.5 % |
| Cyclical Consumer | 19.5 % |
| Non-Cyclical Consumer | 14.7 % |
| Financials | 11.6 % |
| Healthcare | 11.6 % |
| Technology | 12.2 % |
| Telecoms | 1.3 % |
| Utilities | 3.4 % |

Analytics are calculated at 16-Dec-2016.
Analytics are updated quarterly.

The sector classification used is the Thomson Reuters Business Classification.

Sector Allocation as of 16-Dec-2016

The table shows the differences in aggregated sector weights of the index with regard to its Broad cap-weighted reference index (Broad CW), based on the index's weight profile at the last rebalancing time.

| SciBeta USA MBeta MStrat Qty | Excess Weight |
|------------------------------|---------------|
| Energy | -2.9 % |
| Basic Materials | 2.5 % |
| Industrials | 3.3 % |
| Cyclical Consumer | 6.2 % |
| Non-Cyclical Consumer | 5.0 % |
| Financials | -6.2 % |
| Healthcare | -0.8 % |
| Technology | -5.5 % |
| Telecoms | -1.6 % |
| Utilities | 0.2 % |

Analytics are calculated at 16-Dec-2016.
Analytics are updated quarterly.

The sector classification used is the Thomson Reuters Business Classification.

Sector Allocation as of 16-Dec-2016

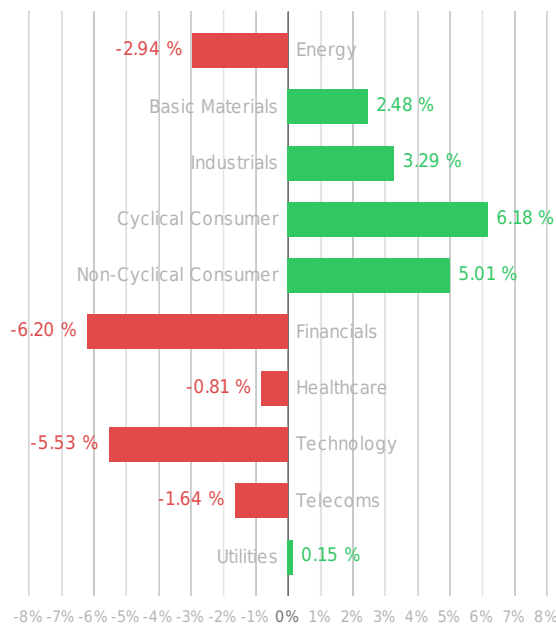
The figure displays industry sector exposures (in weight percentage) of the index, based on the index's weight profile at the last rebalancing time.

Energy Basic Materials Industrials Cyclical Consumer
Non-Cyclical Consumer Financials Healthcare Technology
Telecoms Utilities



Sector Allocation as of 16-Dec-2016

The figure displays the differences in aggregated sector weights of the index with regard to its Broad cap-weighted reference index (Broad CW), based on the index's weight profile at the last rebalancing time.



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